



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert Slider
Virtual Impact Productions, Inc.
5776 Forester Lake Drive
Sarasota, FL 34243

FEB 27 2016

RE: MUR 6903
Henry Lawrence for Congress LLC and
Curtis S. Root in his official capacity as
treasurer

Dear Mr. Slider:

This is in reference to the complaint you filed with the Federal Election Commission on November 6, 2014, concerning Henry Lawrence for Congress LLC and Curtis S. Root in his official capacity as treasurer (the "Committee"). The Commission found that there was reason to believe the Committee violated 52 U.S.C. § 30104(a) and (b) provisions of the Federal Election Campaign Act of 1971, as amended. On February 18, 2016, a conciliation agreement signed by the Committee was accepted by the Commission, and the file in this matter was closed.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009). A copy of the agreement with Henry Lawrence for Congress LLC and Curtis S. Root in his official capacity as treasurer, and the Factual and Legal Analysis that formed the basis for the Commission's determination are enclosed for your information.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Camilla Jackson Jones
Attorney

Enclosures
Conciliation Agreement
Factual and Legal Analysis

16047M89JUN7

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Henry Lawrence for Congress and Curtis S. Root **MUR:** 6903
in his official capacity as Treasurer

I. INTRODUCTION

The Complaint in this matter alleges that Henry Lawrence for Congress and Curtis S. Root in his official capacity as treasurer (the "Committee") failed to report specific receipts, disbursements, and debt that the Committee incurred before April 1, 2014. Complainant, Robert Slider, was the Committee's Assistant Treasurer from January 24, 2014, until April 1, 2014, and he is the President of Virtual Impact Productions, Inc. ("VIP"), which claims the Committee owes it \$106,108. The Committee, which did not file a 2014 April Quarterly Report, generally states that it included all contributions and disbursements in its reports to the Commission, but it does not address Complainant's allegations as to specific contributions and disbursements allegedly received and made before April 1, 2014. The Committee acknowledges receiving VIP's invoices, but contends that it never hired VIP to perform any services and has never owed VIP any money.

The Commission found reason to believe that Henry Lawrence for Congress and Curtis S. Root in his official capacity as treasurer violated 52 U.S.C. § 30104(a), (b) by failing to file an April 2014 Quarterly Report and failing to properly report receipts and disbursements. The Commission exercised prosecutorial discretion and dismissed allegations that Henry Lawrence for Congress and Curtis S. Root in his official capacity as treasurer violated 52 U.S.C. § 30104(b)(8) by failing to report a disputed debt.

II. FACTUAL AND LEGAL ANALYSIS

A. Facts

Henry Lawrence was a Democratic candidate for Florida's 16th Congressional district during the 2014 primary and general elections.¹ The Committee filed its original Statement of Organization on January 24, 2014, which listed Slider as Assistant Treasurer and Designated Agent. On April 1, 2014, the Committee filed an Amended Statement of Organization naming the current Treasurer and a new Assistant Treasurer.²

1. Receipts and Disbursements Made Before April 1, 2014

The Committee's 2014 July Quarterly Report was the Committee's first disclosure report filed with the Commission. Neither the Committee's 2014 July Quarterly Report nor any of its subsequent reports disclosed receipts or disbursements received or made before April 1, 2014.³

The Complaint, filed by former Assistant Treasurer Slider, alleges that the Committee failed to report contributions received or disbursements made before April 1, 2014. Spreadsheets attached to the Complaint list 22 contributions the Committee allegedly received before April 1, 2014, totaling \$3,075 (\$2,100 of which should have been itemized because the five individual contributions comprising the \$2,100 were in amounts greater than \$200, and \$975 of which did not need to be itemized because they were in amounts of \$200 or less). *See* Compl., Attach.

Henry Lawrence for Congress Campaign Donations 2014 ("Campaign Donations"). The

¹ Lawrence won the Democratic primary election but lost the general election.

² On March 24, 2014, the Committee filed two Form 99s (Miscellaneous Reports) reflecting Slider's resignation as Assistant Treasurer and Michelle Robinson's resignation as Treasurer (information on one of the Form 99s suggests that Robinson is also affiliated with VIP, as her forwarding email address is associated with VIP).

³ *See* 2014 July Quarterly Report (July 14, 2014); Pre-Primary Report (Sep. 16, 2014), 2014 October Quarterly Report (Oct. 20, 2014), 2014 Pre-General Report (Oct. 20, 2014), 2014 Post-General Report (Dec. 1, 2014), 2014 Year End Report (Jan. 30, 2015). The Committee did not file its April or July 2015 Quarterly reports. The Reports Analysis Division issued two Requests for Additional Information to the Committee regarding those two reports, but the Committee has not yet responded.

Complaint also lists disbursements totaling approximately \$12,640 that the Committee allegedly paid before April 1, 2014. *Id.*, Attach. *Henry Lawrence for Congress, LLC Profit and Loss Detail ("Profit and Loss Detail")*.

In its 2014 Pre-Primary Report, the Committee disclosed five contributions totaling \$2,100 of the \$3,075 that it received prior to April 1, 2014, but inaccurately reported July 1, 2014 as the date of receipt. The Committee never disclosed the remaining \$975 in receipts.⁴ See Table A below.

Table A – Committee Contributions Referenced in the Complaint Exceeding \$200.

Contributor	Amount	Complaint – Alleged Date of Receipt	2014 Pre-Primary Report – Disclosed Date of Receipt
Mr. Bradenton	\$1,000	1/10/14	7/1/14
Martin Rafferty	\$300	2/18/14	7/1/14
Clint Gharib	\$250	2/20/14	7/1/14
W. Stuart Gregory	\$300	2/25/14	7/1/14
Richard Anderson	\$250	3/4/14	7/1/14

Similarly, in its 2014 Pre-Primary Report, the Committee disclosed six disbursements that account for \$11,409.63 of the \$12,639.94 in disbursements that the Committee made before April 1, 2014, but inaccurately reported July 1, 2014 as the date of payment. Compl., Attach. Profit and Loss Detail. See Table B below. The Committee never disclosed the remaining \$1,230.31 in disbursements.

⁴ These five contributions were the only itemized individual contributions reported in the 2014 Pre-Primary Report. The Committee also disclosed unitemized individual contributions of \$1,751 in that same report.

Table B – Committee Operating Expenses Referenced in the Complaint.

Payee	Expenditure Amount	Complaint – Alleged Date of Payment	2014 Pre-Primary Report – Disclosed Date of Payment
American Jewish Committee	\$250	3/12/14	7/1/14
Cartier Winning Images	\$10,000	1/10/14	7/1/14
Mars Vision Productions	\$216	2/18/14	7/1/14
Nationbuilder	\$542	2/25/14	7/1/14
Quad Systems, Inc.	\$151.63 ⁵	3/5/14	7/1/14
Sarasota Democratic Party	\$250	2/23/14	7/1/14

While the Committee claims to have properly reported all of its receipts and disbursements, it does not address the specific items identified in the Complaint or offer any explanation for the purported discrepancy between the earlier dates alleged in the Complaint and the later dates reported by the Committee.

2. Debt Purportedly Incurred Before April 1, 2014

The Complaint also alleges that the Committee failed to report debt owed to VIP. Compl. at 1-2. Specifically, the Complaint alleges that the Committee hired Slider and VIP as early as November 2013 to provide various services to the campaign including: building the campaign website, setting up e-commerce capabilities for the campaign to receive online contributions, setting up and maintaining all social media sites, photography, and commercial video productions. *Id.* at 1. The Complaint attaches three VIP invoices totaling \$106,108 for services rendered and billed to the Committee.⁶ The Complaint asserts that in March 2014, VIP

⁵ The Committee disclosed payment of \$369 to Quad Systems, Inc. on July 1, 2014, but the Complaint alleges a payment of \$151.63 to that vendor on March 5, 2014. It is unclear whether the Committee's disclosed payment incorporates the \$151.63 that the Complaint alleges was paid to Quad Systems, Inc. on March 5, 2014, or is a different disbursement.

⁶ See Invoice #13-1053 dated March 3, 2014 is for "Professional Business Consulting" from September 2013-December 2013, and Invoices #13-1054 for "Campaign Production" and #13-1055 for "Professional Business Consulting (Monthly)/Campaign Manager for HLFC," both of which are dated March 27, 2014. Compl., Attachs.

1 delivered the invoices to the Committee, but the Committee did not respond to them or pay them.

2 *Id.*

3 The Committee states that it never hired Slider or VIP for any purpose on behalf of the
4 campaign. Resp. at 1. The Committee contends that Slider is Lawrence's former business
5 associate, and he participated in early meetings with Lawrence when he was deciding whether to
6 run for Congress, but in early April 2014, Lawrence ended his relationships with Slider. *Id.* The
7 Committee acknowledges receiving the invoices, but generally contends that most of the
8 documents attached to the Complaint relate to Lawrence's personal financial transactions, not his
9 campaign, and are therefore not subject to the Act's reporting requirements. *Id.* at 2.

10 **B. Analysis**

11 **1. Reporting of Receipts and Disbursements**

12
13 The Act requires a candidate's authorized committee to disclose all receipts and
14 disbursements, including all contributions and expenditures. 52 U.S.C. § 30104(a), (b). The Act
15 defines a "contribution" as "any gift, subscription, loan, advance, or deposit of money or
16 anything of value made by any persons for the purpose of influencing any election for Federal
17 Office." 52 U.S.C. § 30101(8)(A)(i). An "expenditure" is defined as "any purchase, payment,
18 distribution, loan, advance, deposit, or gift of money or anything of value made by any person
19 for the purpose of influencing any election for Federal office." 52 U.S.C. § 30101(9)(A)(i);
20 11 C.F.R. § 100.111. An individual becomes a "candidate" for Federal office when his or her
21 campaign either receives or makes \$5,000 in contributions or expenditures.
22 52 U.S.C. § 30101(2). Once an individual becomes a candidate for the House of
23 Representatives, his or her principal campaign committee must file quarterly reports. 11 C.F.R.
24 § 104.5(a). That first report must include the actual dates and amounts of all receipts and

1 disbursements made before the filing of the report, even if they did not occur during the
2 reporting period covered by the report. 11 C.F.R. §§ 100.5, 104.3(a), (b).

3 As part of this obligation, the authorized committee must identify any person who makes
4 a contribution to the committee that exceeds \$200 or aggregates to over \$200 within the election
5 cycle, or any lesser amount if the committee elects, together with the date and amount of the
6 contribution. 52 U.S.C. § 30104(b)(3). The Act also requires an authorized committee to
7 itemize all disbursements, including operating expenditures, that exceed \$200 or aggregate to
8 over \$200 when added to other disbursements in the same category and made to the same payee
9 during the election cycle, and include the date, amount, and purpose of the operating
10 expenditure. 52 U.S.C. § 30104(b)(4)-(5); 11 C.F.R. § 104.3(b)(4)(i), (vi).

11 The available information indicates there is reason to believe that the Committee failed to
12 file complete and accurate disclosures of its pre-April 1, 2014, receipts and disbursements. It
13 also appears that some of the receipts and disbursements that the Committee disclosed in its 2014
14 Pre-Primary Report may have occurred before April 1, 2014, but were inaccurately reported as
15 occurring on July 1, 2014. The Complainant is the Committee's former Assistant Treasurer and
16 was in a position to know when the Committee received the contributions and made the
17 payments in question, and he provided specific information regarding the Committee's allegedly
18 incomplete and inaccurate disclosures. The Response does not specifically address these
19 transactions, even though they are itemized in the Complaint, but simply states that the
20 Committee reported all of its receipts and disbursements and maintained accurate records of its
21 transactions. Given the Complaint's specificity, the Response's vague denial, and the seeming
22 unlikelihood that every challenged transaction happened on July 1, 2014, there is sufficient
23 information to reasonably infer that the Committee's reports are inaccurate. Moreover, based on

1 information in the Complaint, it appears the Committee had aggregated more than \$5,000 in
2 receipts and disbursements before April 1, 2014. There is sufficient information to conclude that
3 the Committee should have filed a 2014 April Quarterly Report, but its first disclosure report was
4 the 2014 July Quarterly Report. Accordingly, the Commission found reason to believe that
5 Henry Lawrence for Congress and Curtis S. Root in his official capacity as treasurer violated
6 52 U.S.C. § 30104(a) and (b) by failing to file an April 2014 Quarterly Report and failing to
7 properly report receipts and disbursements.

8 2. Reporting of Disputed Debt

9
10 The Act requires candidates and their committees to disclose the amount and nature of
11 any outstanding debts and obligations owed by or to the reporting committee. 52 U.S.C.
12 § 30104(b)(8), 11 C.F.R. §§ 104.3(d), 104.11. This obligation extends to any “disputed debt,”
13 which is “an actual or potential debt or obligation owed by a political committee, including an
14 obligation arising from a written contract, promise or agreement to make an expenditure, where
15 there is a bona fide disagreement between the creditor and the political committee as to the
16 existence or amount of the obligation owed by the political committee.” 11 C.F.R. § 116.1(d).
17 A political committee is obligated to report the disputed debt if the creditor has provided
18 “something of value” to the political committee. 11 C.F.R. § 116.10(a). Until the dispute is
19 resolved, the political committee must disclose any amounts paid to the creditor, any amount the
20 political committee admits it owes, and the amount the creditor claims is owed. *Id.*

21 Given the circumstances in this matter, the Commission concludes that pursuing this
22 matter further would not be an efficient use of the Commission’s resources. Accordingly, the
23 Commission exercised its prosecutorial discretion and dismissed the allegation that Henry

- 2 § 30104(b)(8) by failing to report a disputed debt. See *Heckler v. Chaney*, 470 U.S. 821 (1985).

1-800-4-Nielsen

BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of)
) MUR 6903
Henry Lawrence for Congress LLC and)
Curtis S. Root in his official)
capacity as treasurer)
)

CONCILIATION AGREEMENT

This matter was initiated pursuant to information ascertained by the Federal Election Commission (the "Commission") in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Henry Lawrence for Congress LLC and Curtis S. Root in his official capacity as treasurer ("Respondent" or "Committee") violated 52 U.S.C. § 30104(a) and (b).

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C. § 30109(a)(4)(A)(i).
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondent enters voluntarily into this agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:
 1. The Committee filed its original Statement of Organization with the Commission on January 24, 2014, amended that Statement of Organization on April 1, 2014, and

filed its first disclosure report with the Commission, the 2014 July Quarterly Report, on July 14, 2014. Neither the Committee's 2014 July Quarterly Report nor any of its subsequent reports disclosed receipts or disbursements received or made before April 1, 2014.

2. The Federal Election Campaign Act of 1971, as amended (the "Act"), requires a candidate's authorized committee to disclose all receipts and disbursements, including all contributions and expenditures. 52 U.S.C. § 30104(a), (b). The Act defines a "contribution" as "any gift, subscription, loan, advance, or deposit of money or anything of value made by any persons for the purpose of influencing any election for Federal Office."

52 U.S.C. § 30101(8)(A)(i). An "expenditure" is defined as "any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value made by any person for the purpose of influencing any election for Federal office." 52 U.S.C. § 30101(9)(A)(i); 11 C.F.R. § 100.111.

3. An individual becomes a "candidate" for Federal office when his or her campaign either receives or makes \$5,000 in contributions or expenditures. 52 U.S.C. § 30101(2). Once an individual becomes a candidate for the House of Representatives, his or her principal campaign committee must file quarterly reports. 11 C.F.R. § 104.5(a). That first report must include the actual dates and amounts of all receipts and disbursements made before the filing of the report, even if they did not occur during the reporting period covered by the report. 11 C.F.R. §§ 100.5, 104.3(a), (b).

4. As part of this obligation, the authorized committee must identify any person who makes a contribution to the committee that exceeds \$200 or aggregates to over \$200 within the election cycle, or any lesser amount if the committee elects, together with the date and amount of the contribution. 52 U.S.C. § 30104(b)(3). The Act also requires an authorized

committee to itemize all disbursements, including operating expenditures, that exceed \$200 or aggregate to over \$200 when added to other disbursements in the same category and made to the same payee during the election cycle, and include the date, amount, and purpose of the operating expenditure. 52 U.S.C. § 30104(b)(4)-(5); 11 C.F.R. § 104.3(b)(4)(i), (vi).

5. The Committee failed to file a 2014 April Quarterly Report, even though it had receipts and disbursements that exceeded \$5,000 prior to April 1, 2014. The Committee failed to timely disclose a total of \$3,075 in receipts and \$12,639.94 in disbursements received and made prior to April 1, 2014. Moreover, while the Committee disclosed some of these receipts and disbursements in its 2014 Pre-Primary Report, they were inaccurately reported as having occurred on July 1, 2014.

6. In its 2014 Pre-Primary Report, the Committee disclosed five contributions totaling \$2,100 of the \$3,075 that it received prior to April 1, 2014, but inaccurately reported July 1, 2014 as the date of receipt. The Committee never disclosed the remaining \$975 in receipts.

Contributor	Contribution Amount	Actual Date of Receipt	Disclosed Date of Receipt
Mr. Bradenton	\$1,000	1/10/14	7/1/14
Martin Rafferty	\$300	2/18/14	7/1/14
Clint Gharib	\$250	2/20/14	7/1/14
W. Stuart Gregory	\$300	2/25/14	7/1/14
Richard Anderson	\$250	3/4/14	7/1/14

7. Similarly, in its 2014 Pre-Primary Report, the Committee disclosed six disbursements that account for \$11,409.63 of the \$12,639.94 in disbursements that the Committee made before April 1, 2014, but inaccurately reported July 1, 2014 as the date of

payment. The Committee never disclosed the remaining \$1,230.31 in disbursements.

Payee	Expenditure Amount	Actual Date of Payment	Disclosed Date of Payment
American Jewish Committee	\$250	3/12/14	7/1/14
Cartier Winning Images	\$10,000	1/10/14	7/1/14
Mars Vision Productions	\$216	2/18/14	7/1/14
Nationbuilder	\$542	2/25/14	7/1/14
Quad Systems, Inc.	\$151.63	3/5/14	7/1/14
Sarasota Democratic Party	\$250	2/23/14	7/1/14

V. Respondent violated 52 U.S.C. § 30104(a) by failing to file its 2014 April Quarterly Report. Respondent also violated 52 U.S.C. § 30104(b) by reporting inaccurate dates for receipts and disbursements on its 2014 Pre-Primary Report.

VI. 1. Respondent will pay a civil penalty to the Commission in the amount of Three Thousand Dollars (\$3,000), pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. Respondent will file its 2014 April Quarterly Report and make any appropriate amendments to its other disclosure reports to correct the public record.

3. Respondent will cease and desist in committing violations of 52 U.S.C. § 30104(a), (b).

VII. The Commission, on request of anyone filing a complaint under 52 U.S.C. § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.


IX. Respondent shall have no more than 30 days from the date this agreement

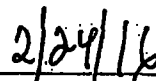
becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained within this written agreement shall be enforceable.

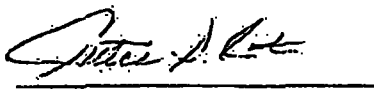
FOR THE COMMISSION:

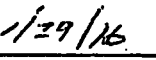
BY:


Kathleen Guith
Acting Associate General Counsel
for Enforcement


Date

FOR THE RESPONDENT:


Curtis S. Roof
Treasurer


Date